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SUBJECT: INVESTMENT COMMISSION CHAIR: POLITICS SHOULD NOT
DRIVE ECONOMIC DEVELOPMENT

1.(SBU) SUMMARY: Iraq's new National Investment Commission Chair is an ambitious hard-charger who in his first two weeks on the job (and prior to his confirmation by the Council of Representatives) has already written implementing regulations for the 13-month old Foreign Investment Law for both the national and provincial governments. He wants "100 percent qualified," loyal and honest staff who are ready to work hard. He asked for USG support on several initiatives. End Summary.

12. (SBU) ECONMIN and ECONCOUNS met on December 11 with Dr. Ahmed Ridha, recently named Chairman of the National Investment Commission. In that position, Ridha is charged with, inter alia, drafting and implementing the regulations for the Foreign Investment Law which was passed by the Council of Representatives (COR) in October 2007. Ridha is the third formal nominee; two other names were never passed to the CoR for approval. Right off the bat Ridha asked for USG help in securing office space; he said he wanted a five story building within the International Zone (IZ) and a small office outside the IZ. He said his goal would be to lease out space in the larger building to create an international trade center and use the revenues to help fund his operations. EMIN agreed to look into the matter, noting that space in the IZ was extremely tight, and under the control of the Prime Minister's office in any case.

13. (SBU) Ridha explained a bit of his personal history; proudly noting that the UAE is now one of the world's foremost destinations for foreign investment, he described himself as having been in charge of UAE foreign investment programs as well as their statistical offices over the past twenty years. He also said he was a graduate of the University of California at Irvine. But he quickly noted the challenges he faces. In the UAE, he said, everything is secure -- but in Iraq there is no security and no laws or even scope for investment. Conversely, he said, in the UAE, one has to import everything: "even the air," he said, But Iraq has everything -- water, labor, natural resources. What Iraq needs, he said, is management and administrative expertise -- and a new model for investment.

14. (SBU) Ridha said Prime Minister Maliki had given him great latitude in his operation, as well as giving him the rank of Minister (Comment: It's unclear to us that this is the case or if the CoR will confirm such a rank. End Comment.) He said he'd told the PM he would develop a Vision and a Mission and Objectives, and that he'd hire "100 percent qualified" staff who wanted to work and who were efficient and loyal and honest -- paying them at rates commensurate with the jobs they were doing.

¶5. (SBU) In his first two weeks, Rihda reported he had already drafted implementing regulations for the Foreign Investment law, including 62 articles on foreign investment rules and 45 articles on the operations of the commission. He asserted that these regulations would be reviewed and approved by the cabinet within two weeks, and that he would immediately implement them "in any case." Then he said he'd contacted a few provincial officials to see if they'd drafted similar regulations for the provincial investment commissions provided for in the law; learning they had not, he drafted those regulations as well. (Comment: We have asked for a copy of the draft regulations. End Comment.)

¶6. (SBU) Ridha said he intends to address the CoR when his nomination moves forward; he will use the opportunity to explain to him his philosophy that politics should not drive economic development; if anything, the desperate need for economic development in Iraq must drive the political decisions.

¶7. (SBU) Comment: Ridha is a breath of fresh air -- driven and results oriented. His ambition is admirable, but it may be blunted by the inefficiency of the Iraqi bureaucracy and the infighting of Iraqi politics. End Comment.
CROCKER